

# FISCAL NOTE

**Bill #:** SB0319 **Title:** Public financing for supreme court candidates

**Primary Sponsor:** Ellingson, J **Status:** As Amended in Senate Committee -Senate Finance and Claims

Sponsor signature	Date	David Ewer, Budget Director	Date
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## Fiscal Summary

	<b>FY 2006 Difference</b>	<b>FY 2007 Difference</b>
<b>Expenditures:</b>		
General Fund	\$186,690	\$423,960
State Special Revenue	\$4,500	\$0
<b>Revenue:</b>		
General Fund	\$0	\$0
State Special Revenue	\$4,500	\$0
<b>Net Impact on General Fund Balance:</b>	(\$186,690)	(\$423,960)

- |   |  |
|---|--|
| <input type="checkbox"/> Significant Local Gov. Impact              | <input type="checkbox"/> Technical Concerns                      |
| <input type="checkbox"/> Included in the Executive Budget           | <input type="checkbox"/> Significant Long-Term Impacts           |
| <input checked="" type="checkbox"/> Dedicated Revenue Form Attached | <input checked="" type="checkbox"/> Needs to be included in HB 2 |

## Fiscal Analysis

### ASSUMPTIONS:

#### **Judiciary**

1. This legislation creates public financing for supreme court candidates.
2. Section 10 provides for judicial review for contested decisions by the commission regarding candidate eligibility for public campaign funding. Petitions initiating judicial review must be filed in the district court of the county where the petitioner resides.
3. Section 21 provides a person, other than the commissioner, who believes a candidate has violated provisions of this bill, with the right to judicial action in the district court in the county in which the person bringing the action resides, to enforce the provisions of this bill.
4. Section 21 also provides a person who is aggrieved by a violation of the provisions of this bill to bring an action in the First Judicial District, Lewis and Clark, to have the provisions enforced.
5. This legislation may increase District Court caseloads but the Judicial Branch is unable to estimate the impact on judicial workload or the fiscal impact. The cumulative impact of such legislation may over a period of time require additional judicial resources since the court dockets are already full throughout the state.

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**Commissioner of Political Practices (COPP)**

6. Passage of SB 319 would require COPP to adopt rules implementing sections 1 through 25. The total estimated cost for legal expenses in FY 2006 is \$10,110.
7. The COPP would have contracted services expenses to have proposed rules formatted per ARM regulations. It is estimated that the contract would be 80 hours at a cost of approximately \$10 per hour, resulting in a cost of \$800 in FY 2006.
8. The total estimated yearly fiscal cost for continuing legal services to enforce sections 1 through 25 is \$3,080. It is important to emphasize that this figure does not include estimates of other anticipated legal expenses, such as defending judicial review actions challenging the commissioner's decisions under section 10(5) and seeking injunctions in district court under section 20(4).
9. There were 5 supreme court justice candidates in the 2004 election cycle. Assuming there is the same number of candidates in the 2006 elections and assuming that 50 percent of the candidates would participate in the supreme court election campaign fund, 3 supreme court candidates would participate in 2006 (1 chief justice candidate and 2 associate justice candidates for fiscal note purposes).
10. Candidates who wish to participate in the supreme court election campaign fund would be required to meet qualifying conditions. Assuming that 50 percent of the supreme court candidates in 2006 would participate, over 1,500 receipts of qualifying contributions would have to be submitted to the Commissioner for approval along with a declaration indicating each candidate has complied and will comply with all requirements of sections 1 through 24.
11. The Commissioner shall issue to a participating candidate a line of credit evidenced by a public money debit card. Expenditures charged to debit cards would be paid from the supreme court election campaign fund. Clerical and accounting support for administration of the fund and the debit card system would require an additional half-time Administrative Support position at a cost of \$17,200 per fiscal year.
12. Public money debit cards issued to qualifying participating candidates would draw funds from the supreme court election campaign fund. The mechanism for the fund and debit card system would have a fiscal impact, however, the actual cost and fiscal impact of the accounting mechanism is undeterminable.
13. A supreme court election campaign fund would be created. The fund would consist of the following revenues: (1) qualifying contributions paid by candidates seeking certification as participating candidates and any qualifying contributions collected by a candidate in excess of the number necessary for certification as a participating candidate (\$4,500 in FY 2006 if 50 percent of supreme court candidates participate), (2) fines levied by the commissioner against candidates for violations of sections 1 through 24 (the amount of revenue from fines is undeterminable), (3) interest or other income generated by money in the fund, and (4) other sources of revenue determined necessary by the legislature.
14. The commissioner would be required to pay participating candidates set amounts from the supreme court election campaign fund. If 50 percent of the supreme court candidates in 2006 participate and assuming they were contested races, the commissioner would pay \$160,000 in FY 2006 and \$400,000 in FY 2007 from the fund to participating candidates.
15. The commissioner would be required to pay additional funding to participating candidates that matches independent expenditures or excess campaign contributions of nonparticipating candidates up to 200 percent of the total amount of public money funding paid by the commissioner to a participating candidate in that election. The amount of this additional funding that would be paid from the fund is undeterminable.
16. The commissioner would be required to pay, upon determination that an issue advertisement could reasonably be interpreted as having the effect of promoting the defeat of a participating candidate or the election of that participating candidate's opponent, to pay to that participating candidate additional public money funding equal in amount to the cost of the issue advertisement. The amount of this additional funding that would be paid from the fund is undeterminable.

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17. The commissioner may conduct random audits to ensure compliance with sections 1 through 24. Inasmuch as public monies would be provided to supreme court candidates, verification that expenditures by those candidates meet statutory provisions would be valuable to ensure public trust. Assuming the commissioner would audit 50 percent of the participating candidate's expenditures, 2 audits would be conducted. The commissioner would require contracted services to perform random audits and investigations. Assuming that each audit would take 5 days, estimated hours would be 80 hours at a cost of \$46 per hour resulting in a cost of \$3,680 in FY 2007.

**Department of Revenue (DOR)**

18. As amended, this bill has no impact on the state general fund or revenues collected by the Department.

19. The Department of Revenue does not anticipate any administrative impact from this legislation.

**FISCAL IMPACT:**

	<u>FY 2006 Difference</u>	<u>FY 2007 Difference</u>
<b>Commissioner of Political Practices (COPP)</b>		
FTE	0.50	0.50
<b><u>Expenditures:</u></b>		
Personal Services	\$17,200	\$17,200
Operating Expenses	13,990	6,760
Payments from fund to candidates	<u>160,000</u>	<u>400,000</u>
TOTAL	\$191,190	\$423,960
<b><u>Funding of Expenditures:</u></b>		
General Fund (01)	\$186,690	\$423,960
State Special Revenue (02)	<u>4,500</u>	<u>0</u>
TOTAL	\$191,190	\$423,960
<b><u>Revenues:</u></b>		
State Special Revenue (02)	\$4,500	\$0
<b><u>Net Impact to Fund Balance (Revenue minus Funding of Expenditures):</u></b>		
General Fund (01)	(\$186,690)	(\$423,960)
State Special Revenue (02)	\$0	\$0

**LONG-RANGE IMPACTS:****Commissioner of Political Practices (COPP)**

It is impossible to predict how many candidates will run for Supreme Court races. It is impossible to predict how many of those who run will participate in the Supreme Court election campaign fund. There could be a significant increase in the expenditures from the Supreme Court election campaign fund in election years with higher numbers of candidates who participate in the fund.